

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL MEMORANDUM

HB 689 – SB 877

March 9, 2011

SUMMARY OF AMENDMENT (004569): Deletes the original bill. Exempts commodity dealers who are unsecured incidental grain dealers from Tennessee Grain Indemnity Fund assessments. Exempts purchasers who are unsecured incidental grain dealers from the Department of Agriculture's assessment notification requirements. Requires any assessment initiated after July 1, 2011, to continue until the fund reaches \$10,000,000, rather than more than \$10,000,000. Requires that at the time of a commodity dealer's failure, the maximum amount of compensation per claimant be maintained at three and one-half percent of the balance of the Grain Indemnity Fund. Requires reinstatement of assessments when the Fund balance becomes less than \$8 million, rather than less than \$3,000,000.

FISCAL IMPACT OF ORIGINAL BILL:

Increase State Revenue - \$5,000,000/One-Time/Grain Indemnity Fund

FISCAL IMPACT OF BILL WITH PROPOSED AMENDMENT:

Unchanged from the original fiscal note.

Assumptions applied to amendment:

- Pursuant to Tenn. Code Ann. § 43-32-207, the grain assessment is currently reinstated any time the Grain Indemnity Fund balance falls below \$3,000,000, and ends when it reaches more than \$10,000,000.
- Under this bill, for the next assessment, the balance must reach \$10,000,000, and then be reinstated when the fund reaches a statutory minimum balance of \$8,000,000. Thus, there will be a one-time increase in state revenue of \$5,000,000 (\$8,000,000 new minimum balance - \$3,000,000 current minimum balance).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" written in a smaller, more compact script than the last name "White".

James W. White, Executive Director

/sbh